

ORDINANCE NO.46-112

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF PERFEKTA, INC, SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Tax Exemption Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Perfekta, Inc. requests an ad valorem tax exemption on a proposed expansion project of 100% for a five-year term on the purchase of manufacturing equipment; and

WHEREAS, Perfekta, Inc. has operated within the City for more than twenty years as a custom manufacturer; and

WHEREAS, Perfekta, Inc. proposes a \$1,583,001 expansion by the purchase of manufacturing equipment to be located at 480 E. 21st Street in northeast Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Perfekta, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by the Wichita State University and has conducted a public hearing on such application on March 2, 2004; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Perfekta, Inc. is an existing business located in Wichita, Kansas and intends to expand its business by the purchase of manufacturing equipment.
2. The purchase of personal property for which exemption is given occurred after December 28, 2002. No exemption will be given for construction or purchases, which occurred before that date.
3. Such property purchases are to be used exclusively for manufacturing articles of commerce.

4. By such purchases, Perfekta, Inc. will create new employment for eleven employees within five years after the start of the project.

5. Tax exemption will be given only for the purchase of certain personal property as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Business Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council for the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Perfekta, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted will be used exclusively for manufacturing articles of commerce.

2. Perfekta, Inc. is hereby granted an ad valorem tax exemption of 100% for a five-year term on the purchase of personal property acquired after December 28, 2002, and located within the Wichita City limits at 480 E. 21st in northeast Wichita at an estimated cost of \$1,583,001, as further defined in Exhibit I attached hereto. Such exemption to begin in the calendar year after the calendar year in which the expansion is completed.

3. The Department of Finance shall be responsible for monitoring the performance of Perfekta, Inc. and shall provide annual reports on such performance.

4. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Perfekta Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated February 2, 2004, and as stated in Perfekta Inc.'s annually approved EEO/AA Plan.

5. Such exemption may hereafter be withdrawn by the City Council upon a finding that Perfekta, Inc. no longer is entitled to such exemption in accordance with the Wichita Business Incentive Policy and Application of the City of Wichita.

6. The City Council may, at its discretion, require Perfekta, Inc. to return all funds exempted if there is a failure to meet the level of employment and EEO/AA goals as presented to the Council and as stated in Perfekta, Inc.'s application and EEO/AA Plan.

7. Upon finding that Perfekta, Inc. has moved or relocated its operations as described in the tax exemption request or application outside the Wichita City Limits the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any

future exemption of taxes on Perfekta, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

8. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this 16th day of March 2004.

Carlos Mayans, Mayor

ATTEST:

Karen Schofield, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney

**Perfekta, Inc.
Exhibit I**

Equipment Purchases 2003

PERFEKTA, INC.EQUIPMENT ADDITIONS 2003

DESCRIPTION	DATE	COST	REFER ENCE
<u>Makino MAG 3 Horizontal Machining Center System:</u>			
MAG3 5-axis machining center equipment	9/30/2003	\$1,431,170	2-7.2
Concrete	9/9/2003	35,450	2-7.3
Shrinker	5/16/2003	3,900	2-7.4
Dell Precision Workstation 450 for Makino	7/4/2003	4,380	2-7.5
Sandisk 64MB Compact Flash Crd	11/8/2003	129	2-7.6
Dell PC for Makino	12/12/2003	1,772	2-7.7
MAG3 Ancillary Equipment & Installation:			
Makino Set Up	10/21/2003	301	2-7.8
Makino Set Up	11/3/2003	82	2-7.9
Makino Set Up	11/3/2003	13	2-7.10
Makino Set Up	11/3/2003	(22)	2-7.11
York Predator A/C	4/14/2003	6,998	2-7.12
MAG3 Electrical Installation	9/19/2003	4,160	2-7.13

Rotary Screw Air Compressor, Refrigerated Air Dry	9/11/2003	11,712	2-7.14
Compressor Air Tank	1/8/2003	745	2-7.15
Parts to install new Makino Machine	10/7/2003	393	2-7.16
Materials for New Compressor	10/8/2003	116	2-7.17
Circuit Breaker	10/27/2003	493	2-7.18
Makino Set Up Parts	10/27/2003	2,488	2-7.19
Makino Installation Parts	10/28/2003	33	2-7.20
MLI's METALMax System	11/12/2003	24,480	2-7.21
Rigging of Makino MAG3 Machine	10/9/2003	12,925	2-7.22
Delivery and setup of Makino	10/21/2003	<u>225</u>	<u>\$ 65,142</u> 2-7.23
MAG3 Tooling			
HSK63F TG75 Collet Tool Holder (10)	11/3/2003	1,490	2-7.24
HSK63F 3/8" DIA Shrink Fit Tool Holder (9)	10/31/2003	1,341	2-7.25
HSK63F 1/4" DIA Shrink Fit Tool Holder (17)	11/6/2003	2,533	2-7.26
HSK63F 1/2" DIA shrink Fit Tool Holder (17)	11/7/2003	2,533	2-7.27
Straight Shk 1/2 Thermo Tool	6/24/2003	93	2-7.28
Shrink Fit Steel Cooling Tray	9/11/2003	323	2-7.29
Shrink Fit Adaptor Holder	9/30/2003	304	2-7.30
Kaiser Precision Boring Head Tooling	1/31/2003	3,471	2-7.31
Thermotool	8/25/2003	1,694	2-7.32
Thermotool	11/26/2003	780	2-7.33
Thermotool	11/10/2003	2,384	2-7.34
Thermotool	11/10/2003	1,639	2-7.35
Grippers	12/8/2003	1,686	2-7.36
Tooling	12/5/2003	125	2-7.37
Drill Brushings	12/8/2003	3,529	2-7.38
Drill Brushings	12/4/2003	198	2-7.39
Reduction Bushings and Insert Holders	12/3/2003	801	2-7.40
Tooling Plate	10/14/2003	5,339	2-7.41
50MM Dia. Fix Perfect Cutters	11/13/2003	3,000	2-7.42
Stud Invert-A-Bolt Fastener	12/12/2003	370	2-7.43
Tool Tower	12/15/2003	298	2-7.44
Press Fit Bushing	12/1/2003	825	2-7.45
Kaiser Tooling	6/16/2003	556	2-7.46
Kaiser Tooling	5/2/2003	144	2-7.47
Kaiser Insert Holder	2/10/2003	308	2-7.48
Tooling	2/19/2003	134	2-7.49
Tooling	3/7/2003	154	2-7.50
Drill Bushings	1/15/2003	2,520	2-7.51
1.25: Dia Polypropylene Rod	2/7/2003	563	2-7.52
Safe Calibration Block Assy	3/19/2003	538	2-7.53
Stud Invert-A-Bolt Fastener	8/17/2003	1,149	2-7.54
Gripper	8/21/2003	<u>236</u>	<u>41,058</u> 2-7.55
TOTAL - Makino MAG3 Horizontal Machining Center System		\$1,583,001	